GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:4341
ANSWERED ON:17.12.2002
MINING AND EXPLORATION OF COAL
ALE NARENDRA

Will the Minister of COAL AND MINES be pleased to state:

(a) the policy of the Government with regard to the mining and exploration of coal at present;

(b) the reasons for taking the decision to privatise the coal industry;

(c) whether this decision has been criticised widely;

(d) if so, whether the workers in various coal mines have been on strike on the issue of privatisation of coal mines;

(e) if so, the details thereof;

(f) the production and monetary losses suffered by the Government as a result thereof; and

(g) the corrective steps being taken by the Government to upgrade the coal sector?

Answer

MINISTER OF COAL AND MINES (SUSHREE UMA BHARTI)

(a) to (g) : Exploration and Mining of Coal is restricted to the Public Sector. Private Sector participation in Coal mining sector has been allowed to the companies engaged in generation of power, production of Iron & Steel, production of cement, washing of coal obtained from a mine and such other end use as the Central Government may by notification specify for captive consumption only. The Government have decided to allow exploration and mining of coal and lignite to the private sector indian companies without the captive consumption restriction and have accordingly introduced the Coal Mines (Nationalisation) Amendment Bill, 2000in the Rajya Sabha in April, 2000. The Government have not decided to privatise the coal companies in the public sector. However, the decision of the Government to allow private sector participation in order to bridge the projected gap between the demand and supply of coal has been criticised by the Trade Unions. The All India Coal Workers Federation (AICWF), a trade union affiliated to CITUwent on three days strike from 20th to 22nd November, 2000 in support of their various demands, out of which ` privatisation of coal mines` was also an issue. Further, the trade unions affiliated to AITUC, BMS and CITU observed strike in coal industry from 3rd to 5th December, 2001 for withdrawal of Coal Mines (Nationalisation) Amendment Bill, 2000 and other related demands.

Total production loss due to the above mentioned strikes has been 2.25 million tonnes approximately. Assuming a contribution margin of Rs. 480 per tonne, the total monetary loss suffered by Coal India Ltd is around Rs. 108 crores.

The steps taken to upgrade the coal sector include measures for improvement in productivity, capacity utilisation, quality enhancement bringing in professionalism and competitiveness and consumer satisfaction. Besides inventory of coal reserves is also upgraded by Geological Survey of Indiaevery year by regional exploration. CMPDILcarries out detailed exploration in the command area of Coal India Ltd to upgrade to proved category every year. CMPDILalso carries out detailed drilling in non-CIL blocks on receipt of necessary funds from Department of Coal.